

BLUE CROSS OF NORTHEAST OHIO
FINANCIAL AND STATISTICAL STATEMENTS
DECEMBER, 1964

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EXHIBIT 1

ASSETS
December 31, 1964

CASH

Deposits in Commercial Accounts.....	\$ 4,749,036.62
Savings Deposits at Interest.....	584,160.23
On Hand.....	<u>600.00</u>
	\$ 5,333,796.85

INVESTMENTS

United States Government Securities.....	18,797,980.90
Public Utility & Industrial Securities.....	<u>209,402.63</u>
	19,007,383.53

ACCRUED INTEREST.....

237,206.54

ACCOUNTS RECEIVABLE

Group Subscribers.....	1,880,020.28
Medical Mutual of Cleveland, Inc.....	85,292.71
Ohio Medical Indemnity, Inc.....	24,766.04
Advances for Other Service Plans.....	294,602.94
Inter-Plan Service Benefit Bank.....	326,164.54
Prepaid Premiums - Employees' Retirement Plan...	<u>55,567.02</u>
	2,666,413.53

TOTAL ADMITTED ASSETS.....

\$27,244,800.45

MEMORANDUM ACCOUNT - NON-ADMITTED ASSET:

Air Travel Deposit.....	\$ 425.00
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EXHIBIT 2

LIABILITIES AND RESERVES
December 31, 1964

UNEARNED INCOME (LEGAL RESERVE)..... \$ 6,589,165.19

DUE HOSPITAL FOR ACCRUED BILLINGS, INCOMPLETE,
UNDISCHARGED AND UNREPORTED CASES..... 11,721,637.46

ACCOUNTS PAYABLE, ACCRUED ACCOUNTS, AND OTHER LIABILITIES

General Accounts Payable.....	\$ 40,200.23
Deposits for Claims of National Accounts.....	519,295.92
Unclaimed Checks.....	43,899.73
Medical Mutual of Cleveland, Inc.....	150,552.11
Ohio Medical Indemnity, Inc.....	50,827.58
Income Taxes Withheld from Employees.....	20,004.30
Deposited for Purchase of U.S. Savings Bonds.....	1,500.90
Federal and State Social Security Taxes.....	10,440.61
Accrued Employees' Compensation.....	76,318.40
Reserve for Employees' Retirement Plan.....	<u>13,800.00</u>
	926,839.78

RESERVE FOR CONTINGENCIES..... 8,007,158.02

TOTAL LIABILITIES AND RESERVE..... \$27,244,800.45

Total Persons Protected.....	1,719,330
Contingencies Reserve Per Capita.....	\$4.66
Contingencies Reserve in Months of Hospital and Administrative Expense.....	.96



EXHIBIT 3

STATEMENT OF INCOME AND EXPENSE
December, 1964

	<u>DECEMBER</u>	<u>FIRST HALF</u>	<u>LAST HALF</u>	<u>YEAR TO DATE</u>
<u>INCOME</u>				
Earned Income from Subscribers.....	\$8,198,188.02	\$48,719,784.56	\$48,977,960.28	\$97,697,744.84
<u>EXPENSE</u>				
Administrative Expense.....	<u>175,446.57</u>	<u>299,969.45</u>	<u>1,002,678.51</u>	<u>2,002,647.96</u>
	<u>8,022,741.45</u>	<u>747,719,815.11</u>	<u>47,975,281.77</u>	<u>95,695,096.88</u>
<u>HOSPITAL SERVICES</u>				
Estimated Incurred Claims for Hospital Care at Temporary Rates.....	8,292,115.36	45,677,185.85	48,010,615.36	93,687,801.21
Adjustment to Estimated Audited Hospital Rates.....	<u>-24,215.36</u>	<u>467,246.48</u>	<u>1,225,784.64</u>	<u>1,693,031.12</u>
Total Hospital Costs.....	<u>8,267,900.00</u>	<u>46,144,432.33</u>	<u>49,236,400.00</u>	<u>95,380,832.33</u>
Less: Refunds covering Compensation Claims, etc.....	<u>9,212.09</u>	<u>109,095.93</u>	<u>99,686.83</u>	<u>208,782.76</u>
	<u>8,257,987.91</u>	<u>46,035,336.40</u>	<u>42,136,713.17</u>	<u>95,172,049.57</u>
<u>TO CONTINGENCIES RESERVE-FROM SUBSCRIBER INCOME</u>	-235,246.46	1,684,478.71	-1,161,431.40	523,047.31
<u>OTHER INCOME AND ADJUSTMENTS</u>				
Income from Investments.....	73,940.46	366,106.06	382,002.31	748,108.37
Alteration Expense Refund	<u>749.28</u>	<u>4,368.14</u>	<u>4,477.33</u>	<u>8,845.47</u>
	<u>74,689.74</u>	<u>370,474.20</u>	<u>386,479.64</u>	<u>756,953.84</u>
<u>ADJUSTMENT TO CONTINGENCIES RESERVE DUE TO DETERMINATION OF ACTUAL HOSPITAL SERVICES INCURRED, 1963</u>	<u>-83,448.38</u>	<u>288,883.02</u>	<u>-83,448.38</u>	<u>205,434.64</u>
<u>NET CHANGE IN CONTINGENCIES RESERVE</u>	<u>\$ -244,005.10</u>	<u>\$ 2,343,835.93</u>	<u>\$ -858,400.14</u>	<u>\$ 1,485,435.79</u>



EXHIBIT 4

ADMINISTRATIVE EXPENSE
December, 1964

<u>EXPENSE</u>	<u>FOR THE MONTH</u>		<u>CUMULATIVE</u>	
	<u>1964</u>	<u>1963</u>	<u>1964</u>	<u>1963</u>
Salaries - General.....	\$151,606.08	\$140,959.50	\$1,708,700.11	\$1,615,991.07
Salaries - Branch Office.....	6,201.04	4,653.82	61,664.86	63,642.97
Travel.....	1,495.34	933.47	15,535.92	10,596.97
Automobile Expense.....	2,428.60	2,305.27	28,385.37	28,981.19
Rent and Light.....	18,061.14	17,738.49	215,787.09	213,832.33
Association Dues.....	5,525.67	5,663.11	75,713.18	64,837.38
Legal Expense.....	360.00	275.00	2,973.28	22,424.62
Furniture and Equipment.....	1,187.72	2,589.05	32,983.73	37,075.24
Equipment Rental.....	13,835.14	15,790.37	175,730.60	187,783.87
Printing, Stationery & Supplies.	23,429.06	11,633.80	187,868.28	208,177.73
Books and Periodicals.....	55.35	171.55	2,255.50	3,495.74
Postage and Express.....	8,276.81	8,959.24	106,035.02	116,227.11
Telephone and Telegraph.....	6,972.58	6,226.75	83,487.71	74,064.62
Collection (Bank Charges).....	1,932.15	1,944.08	24,244.08	24,146.40
Advertising.....	9,353.27	1,601.00	58,956.53	67,830.57
Insurance - General.....	-0-	-0-	12,649.29	10,025.83
Employee Welfare.....	17,221.00	14,034.21	199,114.47	213,001.85
Auditing & Actuarial Services...	750.00	750.00	11,900.00	11,300.00
Auditing - Hospitals.....	11,971.46	9,596.34	136,003.42	109,145.78
Mailing Services.....	765.61	1,921.20	13,042.50	26,272.94
Service Charges-Inter-Plan Bank.	4,998.00	4,122.00	52,713.25	52,416.00
Special Contract Expense.....	217.24	450.14	4,862.40	3,097.30
Miscellaneous.....	6,387.97	5,277.05	97,522.75	77,071.06
Citizens' Committee Study.....	-0-	-0-	-35.00	-112.50
Hospital Facilities Survey.....	-0-	-0-	-0-	3,552.52
	<u>\$293,031.23</u>	<u>\$257,595.44</u>	<u>\$3,308,094.34</u>	<u>\$3,244,878.59</u>

Less Service Charges:

Medical Mutual of Cleve., Inc.	85,292.71	75,409.47	945,963.61	960,427.75
Ohio Medical Indemnity, Inc...	24,016.76	20,177.10	263,014.19	220,281.05
Inter-Plan Bank.....	2,511.00	2,829.00	31,380.00	32,418.00
Serviced Groups.....	5,764.19	7,097.50	65,088.58	42,097.10
	<u>\$117,584.66</u>	<u>\$105,513.07</u>	<u>\$1,305,446.38</u>	<u>\$1,255,223.90</u>
	<u>\$175,446.57</u>	<u>\$152,082.37</u>	<u>\$2,002,647.96</u>	<u>\$1,989,654.69</u>

Percentage of Expense

to Income..... 2.14 1.91 2.05 2.13





